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# **Identifying the Problems: Government, Taxation and Regulation in SMEs and Australia's G20 Priorities**

John Kirton, Co-director, G20 Research Group

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## **1. Mandate**

This presentation is based on an analysis of what the G20 has done on this issue in the past, the progress made during the preparatory process thus for the Brisbane Summit under the 2014 Australian chair, and the priorities identified by members of the Young Entrepreneurs' Alliance (YEA) in their survey conducted by the YEA and G20 Research Group. The topic reflects the fact that small and medium-sized enterprises (SMEs) are the leading source of jobs and often innovation, but need government incentives to secure markets in a globalized world. In 20 years, SMEs will see government redesigned to support their success in world markets.

## **2. Problem**

SMEs are the leading source of jobs and often innovation, but need government incentives, from financing, tax and regulation, to prosper at home, secure markets in a globalized world, and thus contribute to private sector-led G20 and global growth. In 20 years, SMEs will see government redesigned to support their success. But how well has the G20 been doing so far to mobilize the potential of young entrepreneurs, start-ups and the SMEs they create for growth, jobs, innovation and trade?

## **3. G20 Past Performance**

The G20 summit has dealt directly with SMEs and their relationship to young entrepreneurship since its start at Washington in November 2008. But its performance has only been reliable, rising and robust at the core since the YEA started work at the Toronto Summit in June 2010.

### **Deliberation**

In its public deliberation, as recorded in the leaders' summit communiqués, attention to the subject of SMEs started solidly at Washington, disappeared at London in April 2009, returned in a solid form at Pittsburg in 2009, Toronto and Seoul in 2010, but then spiked at the Cannes Summit in November 2011 where it took 7.9% of the communiqué.

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## **Decisions**

In its concrete decision making on the subject, performance has slowly risen. The G20 made no commitments at its first two summits, but then three at Pittsburgh, two at Toronto, five at Seoul, three each at Cannes and Los Cabos, and another high of five at St. Petersburg last year in September 2013.

St. Petersburg produced the historic commitment by G20 governments to find “innovative ways to encourage firms to hire youth for example by, where appropriate, reducing non-wage labour costs, moving towards early intervention measures and effective job-search assistance for different groups of youth, and motivating youth entrepreneurship and business start-ups.” It was the first time the words “youth entrepreneurship” has appeared together in a G20 summit communiqué. It suggested governments would use regulatory and tax measures as well as other instruments to encourage firms of all sizes, including SMEs.

In a second commitment (2013-79) it specifically presented “small and medium sized enterprises as one of our most important partners” for inclusive economic growth and job creation.

It further promised to implement the SME Finance Compact (2013-267) and to work more with the Youth 20 (2013-233).

Leaders finally promised to “implement by the Brisbane Summit” country specific actions and projects for long term investment financing, particularly for SMEs (2013-90). Is that promise being kept, with the Brisbane Summit just five months away?

## **Delivery**

In its delivery of the relevant decisions, the G20 summit in the past has on the whole performed well. In the four commitments assessed for compliance from Seoul to Los Cabos, overall compliance averaged 75%. It rose from 63% at Seoul through 85% at Cannes to a perfect 100% at Los Cabos.

The trend continues to this day. The interim compliance scores for the three relevant assessed commitments from St. Petersburg averaged 85%. The one presenting ‘small and medium sized enterprises as one of our most important partners’ for inclusive economic growth and job creation came in at 88%. That on vocational training was 78%. That on quality education was 90%.

And that on youth employment through youth entrepreneurship and business start-ups is at 65%, the early returns show.

So getting the G20 leaders at Brisbane commitment is worth it — for implementation does tend to come.

## **Development of Global Governance**

In developing their own global governance institutions, G20 leaders at their Pittsburgh Summit launched the SME Challenge. At Seoul they endorsed the work of its G20 Global Partnership for Financial Inclusion and its Sub-Group on SME Finance, co-chaired by Turkey, which will host the G20 summit in 2015.

## **4. Progress in the Brisbane Preparatory Process**

To build on this St. Petersburg legacy in preparing the Brisbane Summit, the G20 got off to a very bad start but has picked up after Australia assumed the G20 chair. It provides a good place to start, but there is still long way to go.

### **Washington, October 11, 2013: Nothing**

At the Finance G20 Meeting in Washington DC on October 11, 2013, with Russia still in the chair, there was no reference at all the SMEs or young entrepreneurship. The paragraph on long term finance for investment referenced infrastructure as a priority but dropped the co-equal SME one in the commitment that the St. Petersburg leaders' communiqué had contained. The paragraph of the tax agenda made no reference to its relevance for SMEs or young entrepreneurship.

### **Sydney, February 23, 2014: Some**

At the Finance G20 Meeting in Sydney, Australia, on February 23, 2014, the first held under the Australian chair, the subject returned in a robust, necessary, forward-looking way. Paragraph 7 of the communiqué said: "We are committed to creating a climate that facilitates higher investment, particularly in infrastructure and small and medium enterprises. This is crucial for ... stronger growth ... We will undertake reforms to remove constraints to private investment by establishing sound and predictable policy and regulatory frameworks." Regulation, not tax, was the key.

Thus was restored the St. Petersburg duality of privileging investment financing for both infrastructure and for SMEs. And SMEs were there at the very start, as an integral part, of the Brisbane Summit's centerpiece initiative — the strategy to raise G20 by more than 2% real beyond the trajectory in the next five years. However in the work received and commissioned at Sydney SMEs disappeared. The high level political commitment was not translated into the more detailed implementing work done by those below.

### **Washington, April 11, 2014: Some**

At the finance G20 meeting in Washington DC on April 11, 2014, the subject was advanced as the work of devising the strategy got underway. In paragraph 4 of the communiqué participants declared: "We reaffirmed the critical importance that investment plays in lifting economic growth and employment ... we will commit to country specific and collective actions ... These will include a set of leading practices to promote and prioritize quality investment, particularly in infrastructure. We will also examine appropriate mechanisms to support the implementation of these leading

practices, including ways to ... enhance the capacity of financial markets to channel more long term finance, including to small and medium enterprises.”

Still, in the work received and commissioned at Washington, SMEs specifically still were left out. And they and the communiqué passages were not referred to in the summary Statement resented by Joe Hockey as the meetings' chair.

## **5. 2014 Priorities from the YEA: The Mismatch from First to Fourth**

How well does this past performance and current progress match the present YEA priorities of education, lifelong learning and encouraging firms to hire youth? Partially. There is some resonance and responsiveness from the G20's past performance. But there is very little from the Brisbane preparations thus far, as their focus on long term investment financing for SMEs is ranked only fourth by the YEA. There is thus much work to do.

The YEA priorities are clearly seen in a survey of YEA members, conducted by the YEA with the help of the G20 Research Group in February 2014. In it YEA members were asked to consider a long list of 13 St. Petersburg commitments relevant to young entrepreneurship and then rank in order the ones they felt were a priority for the YEA and the Brisbane Summit this year. A robust 385 members responded, led by those from Saudi Arabia, Mexico, Brazil and Russia. Over 40% of the respondents had attended a YES summit, so knew how the worlds of young entrepreneurs and G20 governors came together there. What did they select?

In first place came quality education, chosen as very relevant by 55%. This was the G20 commitment to “invest in quality education to give [young people] the skill portability and better prospects, to facilitate mobility and enhance employability.” The era of lifetime employment was clearly seen to have disappeared, everywhere, even in Japan.

In a close second place came life-long learning, chosen as very relevant by 53%. This was seen in the commitment too serve the same commitment that quality education did. Young entrepreneurs know that life-long learning, not lifetime employment, is the hallmark of the twenty-first century world.

In third place came encouraging firms to hire youth, chosen as very relevant by 42%. This was the pioneering commitment that included “motivating youth entrepreneurship and business start ups.” It starts where Tony Abbott's plan for the Brisbane summit does, with private sector led, not government led, growth and jobs.

In a close fourth place came long-term investment financing for SMEs, chosen as very relevant by 41%. At the commitment promised to “start to implement by the Brisbane Summit” the relevant action, the young entrepreneur respondents understandably felt they should keep their word, to get a fast start.

## **6. Conclusion: The Partial Match**

Partially, but they have made a promising start in ways that match our priorities, on which much more can be built as Australia's year as G20 chair progresses.

The conclusion is clear. There is a partial but promising match between the YEAs present priorities of education, life-long learning, and youth employment and what the G20 has done in the past — notably the promise to help firms hire youth made at the St. Petersburg Summit last year. But there is a poor fit with the Brisbane Summit preparations, for they put financing for SMEs first, while the YES ranks them only fourth. So there is much work to do as Australia's year as G20 chair moves into its final stage.

## **G20 Leaders' Conclusions on Young Entrepreneurship, 2008-12**

Zaria Shaw, G20 Research Group, May 24, 2012

### **Summary of Conclusions on Young Entrepreneurship in G20 Leaders' Documents**

Year	# of Words	% of Total Words	# of Paragraphs	% of Total Paragraphs	# of Documents	% of Total Documents	# of Dedicated Documents
2008 Washington	157	4.2	2	2.8	1	100	0
2009 London	0	0	0	0	0	0	0
2009 Pittsburgh	265	4.2	4	4.3	1	100	0
2010 Toronto	260	2.3	4	2.8	1	50	0
2010 Seoul	384	2.4	7	3.2	2	40	0
2011 Cannes	1119	7.9	10	5.1	2	66.6	0
Average	364.2	3.5	4.5	3.0	1.2	59.4	0

Notes:

Data are drawn from all official English-language documents released by the G20 leaders as a group. Charts are excluded.

“# of Words” is the number of youth entrepreneurship-related subjects for the year specified, excluding document titles and references. Words are calculated by paragraph because the paragraph is the unit of analysis.

“% of Total Words” refers to the total number of words in all documents for the year specified.

“# of Paragraphs” is the number of paragraphs containing references to youth entrepreneurship for the year specified. Each point is recorded as a separate paragraph.

“% of Total Paragraphs” refers to the total number of paragraphs in all documents for the year specified.

“# of Documents” is the number of documents that contain youth entrepreneurship subjects and excludes dedicated documents.

“% of Total Documents” refers to the total number of documents for the year specified.

“# of Dedicated Documents” is the number of documents for the year that contain a youth entrepreneurship-related subject in the title.

### **Introduction and Definition**

Major challenges for G20 countries are youth unemployment — the need to ensure that young people can play a full role in society, and the need to foster entrepreneurship for job creation, innovation and economic adaptability. G20 economies must increasingly be built on a culture of entrepreneurship to include youth and adults. G20 government policy

is focused on factors that encourage youth entrepreneurship, remove the obstacles that stand in its way, and enact policy measures to support this.

Youth entrepreneurship programmes are being promoted in G20 countries to operate at national, regional and local levels a wide variety of settings and with various different approaches and delivery mechanisms. Examples are: programmes for education and training, help with capital, ideas and operational matters, counselling and mentoring, networking and intergenerational transfers of businesses. Young people can start new businesses and succeed, but new policies will be needed if they are to be fully encouraged (OECD 2001, "Putting the Young in Business: Policy Challenges for Youth Entrepreneurship").

## **Search Terms**

The following keywords were used for this report.

### **Inclusions**

Capitalize, entrepreneur, entrepreneurial culture, entrepreneurial ecosystem, G20 Young Entrepreneurship Alliance (YEA), G20 Young Entrepreneur Summit (YES), innovation, Jumpstart Our Business Startups Act (JOBS), new firms, young firms, small and medium size enterprises (SMEs), start-ups, venture capital, youth business, youth unemployment

### **Coding Rules**

The unit of analysis is the paragraph or stand-alone sentence.

A direct reference to young entrepreneurship or a cognate term is required.

Cognate or extended terms can be used without a direct reference to "young entrepreneurship" if they have previously been directly associated together in summit document history.

## Conclusions on Young Entrepreneurship in G20 Summit Documents

### 2008: Washington DC, November 14-15

Declaration of the Summit on Financial Markets and the World Economy

#### Preamble

2. Over the past months our countries have taken urgent and exceptional measures to support the global economy and stabilize financial markets. These efforts must continue. At the same time, we must lay the foundation for reform to help to ensure that a global crisis, such as this one, does not happen again. Our work will be guided by a shared belief that market principles, open trade and investment regimes, and effectively regulated financial markets foster the dynamism, **innovation, and entrepreneurship** that are essential for economic growth, employment, and poverty reduction.

#### Tasking of Ministers and Experts

We are committed to taking rapid action to implement these principles...In consultation with other economies and existing bodies, drawing upon the recommendations of such eminent independent experts as they may appoint, we request our Finance Ministers to formulate additional recommendations, including in the following specific areas:

- Reviewing compensation practices as they relate to incentives for **risk taking and innovation**;

### 2009: London, April 1-2

No references

### 2009: Pittsburgh, September 24-25

*The Leaders Statement: The Pittsburgh Summit*

#### Strengthening Support for the Most Vulnerable

41. We commit to improving access to financial services for the poor. We have agreed to support the safe and sound spread of new modes of financial service delivery capable of reaching the poor and, building on the example of micro finance, will scale up the **successful models of small and medium-sized enterprise (SME) financing**. Working with the Consultative Group to Assist the Poor (CGAP), the International Finance Corporation (IFC) and other international organizations, we will launch a G20 Financial Inclusion Experts Group. This group will identify lessons learned on innovative approaches to providing financial services to these groups, promote successful regulatory and policy approaches and elaborate standards on financial access, financial literacy, and consumer protection. We commit to launch a **G20 SME Finance Challenge**, a call to the

private sector to put forward its best proposals for how public finance can maximize the deployment of private finance on a sustainable and scalable basis.

ANNEX: Core Values for Sustainable Economic Activity

2. We, the Leaders of the countries gathered for the Pittsburgh Summit, recognize that concerted action is needed to help our economies get back to stable ground and prosper tomorrow. We commit to taking responsible actions to ensure that every stakeholder – consumers, workers, investors, **entrepreneurs** – can participate in a balanced, equitable, and inclusive global economy.

5. We also agree that certain key principles are fundamental, and in this spirit we commit to respect the following core values:

- We have a responsibility to reject protectionism in all its forms, support open markets, foster fair and transparent competition, and **promote entrepreneurship and innovation** across countries.

**2010: Toronto, September 26-27**

*G20 Toronto Summit Declaration*

Further Supporting the Needs of the Most Vulnerable

20. We have made concrete progress on our commitment to improving access to financial services for the poor and to increasing financing available to **small- and medium-sized enterprises** (SMEs) in developing countries.

21. Adequately financed **small and medium-sized businesses** are vital to job creation and a growing economy, particularly in emerging economies. We have launched the **SME Finance Challenge** aimed at finding the most promising models for public-private partnerships that catalyze **finance for SMEs**. We are committed to mobilizing the funding needed to implement winning proposals, including through the strong support of the MDBs. We welcome the strong support of the MDBs for scalable and sustainable SME financing proposals, including those from the Challenge in partnership with the private sector. We look forward to announcing the winning proposals of the **SME Finance Challenge** and to receiving recommendations to scale-up successful **SME finance models** at the Seoul Summit.

23. At the Pittsburgh Summit, we recognised the importance of sustained funding and targeted investments to improve long-term food security in low income countries....We also support the development of the private sector window of the GAFSP, which will increase private sector investments to **support small and medium sized** agri-businesses and farmers in poor countries. We welcome the support already received, and encourage additional donor contributions to both the public and private sector windows of the GAFSP.

33. We have launched the **SME Finance Challenge** and commit to mobilizing funding for implementation of winning proposals, including through the strong support of the MDBs. We have developed a set of principles for **innovative financial inclusion**.

## **2010: Seoul, November 11-12**

### *G20 Seoul Summit Leaders Declaration*

#### Fostering Employment and Social Protection

9. Today, the Seoul Summit delivers:

- the Financial Inclusion Action Plan, the Global Partnership for Financial Inclusion and a flexible **SME Finance Framework**, all of which will significantly contribute to improving access to financial services and expanding opportunities for poor households and **small and medium enterprises**.

### *The Seoul Summit Document*

10. Structural Reforms: We will implement a range of structural reforms to boost and sustain global demand, foster job creation, contribute to global rebalancing, and increase our growth potential, and where needed undertake:

- Green growth and **innovation oriented policy measures** to find new sources of growth and promote sustainable development.

#### Seoul Development Consensus for Shared Growth

51. The Seoul Consensus also identifies nine key pillars where we believe actions are necessary to resolve the most significant bottlenecks to inclusive, sustainable and resilient growth... The Multi-Year Action Plan then outlines the specific, detailed actions to which we commit in order to address these bottlenecks, including to:

g) Increase access to finance for the poor and **small and medium enterprises** (SMEs). Our action plans for financial inclusion and associated implementation mechanisms are discussed in paragraphs 55 to 57 below;...

#### Financial Inclusion

55. We reiterate our strong commitment to financial inclusion and recognize the benefits of improved access to finance to lift the lives of the poor and to support the **contribution of SMEs to economic development**. We welcome the stock taking report on successful and scalable models of SME financing in developing economies. We have developed the Financial Inclusion Action Plan based on our Principles for Innovative Financial Inclusion as the work program for the coming year.

57. Recognizing the vital role of **SMEs in employment and income generation**, we welcome the strong response to the G20 SME Finance Challenge and the **innovative models** for scaling up private **SME finance** that have emerged from the competition and congratulate the winners. We have constructed a flexible **SME Finance Framework** to

mobilize grant, risk capital and private financing by using existing funding mechanisms and the new **SME Finance Innovation Fund** to finance the winning proposals and other successful **SME financing models**. We welcome the commitment of Canada, Korea, the United States and the Inter-American Development Bank of \$528 million to the Framework through grants and co-financing.

### **2011: Cannes, November 3-4**

#### *Cannes Summit Final Declaration - Building Our Common Future: Renewed Collective Action for the Benefit of All*

##### Fostering Employment and Social Protection

3. We firmly believe that employment must be at the heart of the actions and policies to restore growth and confidence that we undertake under the Framework for strong, sustainable and balanced growth. We are committed to renew our **efforts to combat unemployment and promote decent jobs, especially for youth and others who have been most affected by the economic crisis**. We therefore decide to set up a G20 Task-Force on Employment, with a **focus on youth employment**, that will provide input to the G20 Labour and Employment Ministerial Meeting to be held under the Mexican Presidency in 2012. We have tasked International organizations (IMF, OECD, ILO, World Bank) to report to Finance Ministers on a global employment outlook and how our economic reform agenda under the G20 Framework will contribute to job creation.

##### Addressing the Challenges of Development

28. In order to meet the Millennium Development Goals, we stress the pivotal role of ODA. ...We discussed a set of options for **innovative financing** highlighted by Mr Bill Gates. Some of us have implemented or are prepared to explore some of these options. We acknowledge the initiatives in some of our countries to tax the financial sector for various purposes, including a financial transaction tax, inter alia to support development.

#### *Communiqué: G20 Leaders Summit*

##### A Global Strategy for Growth and Jobs

6. We are determined to strengthen the social dimension of globalization. We firmly believe that employment and social inclusion must be at the heart of our actions and policies to restore growth and confidence. We therefore decide to set up a G20 task force which will **work as a priority on youth employment**. We recognize the importance of social protection floors in each of our countries, adapted to national situations. We encourage the ILO to continue promoting ratification and implementation of the eight core Conventions ensuring fundamental principles and rights at work.

##### Development: Investing for Global Growth

78. Recognizing that 2.5 billion people and millions of **Small and Medium Enterprises** (SMEs) throughout the world lack access to formal financial services, and the crucial importance for developing countries to overcome this challenge, we launched in Seoul an ambitious Global Partnership for Financial Inclusion (GPII). We commend the ongoing

work by the GPMI to foster the development of SME finance and to include financial inclusion principles in international financial standards. We endorse the five recommendations put forward in its report, annexed to this Declaration, and commit to pursue our efforts under the Mexican Presidency.

79. We welcome the presentation of the report by Mr Bill Gates on financing for development. We recognize the importance of the involvement of all actors, both public and private, and the mobilisation of domestic, external and **innovative sources of finance**.

82. We agree that, over time, new sources of funding need to be found to address development needs. We discussed a set of options for **innovative financing** highlighted by Mr Bill Gates, such as Advance Market Commitments, Diaspora Bonds, taxation regime for bunker fuels, tobacco taxes, and a range of different financial taxes.

### *Cannes Action Plan for Growth and Jobs*

#### A Global Strategy for Growth and Jobs

3. Further progress on structural reforms is critical to raising output in all G20 countries.

c) The EU is fully committed to accelerate and further deepen the Single Market integration through a comprehensive programme based on twelve key priority actions to boost growth. These include actions in the areas of services, trans-European networks, the digital single market, workers' mobility, financing for **small and medium-sized enterprises** and taxation. In the framework of the 'Europe 2020' strategy, the EU adopted several targets for 2020: to raise to 75% the employment rate for those aged 20-64, to improve the education levels, and to raise the share of public and private investment levels in R&D to 3% of EU's GDP.

6. While reducing barriers to trade and investment will help reduce the development gap and support progress towards the Millennium Development Goals...

b) Developing countries have the potential to contribute to stronger and more balanced global growth and should be viewed as markets for investment, especially in infrastructure. We welcome the MDBs Infrastructure Action Plan and the HLP recommendations. It is important to ensure adequate flows of official financing for development as well as to **promote innovative approaches that leverage private capital**.

## Commitments on Young Entrepreneurship in G20 Summit Documents

### 2008: Washington DC, November 14-15

Total=0

### 2009: London, April 1-2

Total=0

### 2009: Pittsburgh, September 24-25

Total=3

92. We commit to launch a *G20 SME Finance Challenge*, a call to the private sector to put forward its best proposals for how public finance can maximize the deployment of private finance on a sustainable and scalable basis.

108. We commit to taking responsible actions to ensure that every stakeholder – consumers, workers, investors, **entrepreneurs** – can participate in a balanced, equitable, and inclusive global economy.

110. We have a responsibility to reject protectionism in all its forms, support open markets, foster fair and transparent competition, and promote **entrepreneurship and innovation** across countries.

### 2010: Toronto, September 26-27

Total=2

41. We have launched the **SME Finance Challenge** and commit to mobilizing funding for implementation of winning proposals, including through the strong support of the MDBs.

42. Looking ahead, we commit to exploring **innovative**, results-based mechanisms to harness the private sector for agricultural **innovation**.

### 2010: Seoul, November 11-12

Total=5

2010-20: [The [Seoul Action] Plan includes our commitment to:] a flexible **SME Finance Framework**

2010-61: [We will implement a range of structural reforms to boost and sustain global demand, foster job creation, contribute to global rebalancing, and increase our growth potential, and where needed undertake:] Green growth and **innovation** oriented policy measures to find new sources of growth and promote sustainable development. (climate change)

2010-119: [we will] Increase access to finance for the poor and **small and medium enterprises (SMEs)**. (development)

2010-126: We reiterate our strong commitment to financial inclusion and recognize the benefits of improved access to finance to lift the lives of the poor and to support the contribution of **SMEs** to economic development.

2010-144: [We also commit to stimulate investment in] developing long-term energy policies, supporting education, **enterprise** and R&D, (energy)

### **2011: Cannes, November 3-4**

Total=3

2011-150: The EU is fully committed to accelerate and further deepen the Single Market integration through a comprehensive programme based on twelve key priority actions to boost growth. These include actions in the areas of services, trans-European networks, the digital single market, workers' mobility, financing for **small and medium-sized enterprises** and taxation.

2011-151: In the framework of the 'Europe 2020' strategy, the EU adopted several targets for 2020: **to raise to 75% the employment rate** for those aged 20-64, to improve the education levels, and to raise the share of public and private investment levels in R&D to 3% of EU's GDP.

2011-173: We are committed to renew our efforts to combat unemployment and **promote decent jobs, especially for youth** and others who have been most affected by the economic crisis.

### **2012: Los Cabos, June 18-19**

Total=3

2012-35: We therefore endorse the recommendations of our Labor and Employment Ministers to urgently combat **unemployment** through appropriate labor market measures and fostering the creation of decent work and quality jobs, particularly for **youth and** other vulnerable groups, who have been severely hit by the economic crisis. (labour and employment)

2012-36: We reaffirm our commitment to **youth to facilitate their access to quality jobs**, which will boost their life prospects. (labour and employment)

2012-156: [In Cannes, countries put forward structural reform commitments to boost and sustain global demand, foster job creation, contribute to global rebalancing and increase the growth potential in all G-20 countries. These reforms include: Labour market reforms to increase employment and increase labour force participation, such as:] improving **employment opportunities** for targeted groups such as **youth** and persons with disabilities (subset: Canada, Korea, UK) (labour and employment)

### **2013: St. Petersburg, September 5-6**

Total=5

2013-75: [We are committed to] finding innovative ways to encourage **firms to hire youth** for example by, where appropriate, reducing non-wage labour costs, moving towards early intervention measures and effective job-search assistance for different groups of youth, and motivating youth entrepreneurship and business start-ups. (labour and employment)

2013-79: We commit to encourage the private sector, including **small and medium sized enterprises** as one of our most important partners, in fostering inclusive economic growth including for job creation and labour absorption. (macroeconomic policy)

2013-90: To lift growth and create jobs by boosting investment, we commit to identify and start to implement by the Brisbane Summit a set of collective and country-specific actions that tangibly improve our domestic investment environments such that they are more favorable to long-term investment financing and can lead to an effective increase of implemented projects, particularly in infrastructure and for **SMEs**. (macroeconomic policy)

2013-233: [we will strengthen our engagement with the] **Youth20** (international cooperation)

2013-267: [We will continue to implement:] the **SME Finance Compact** launched in 2012 (commitment 41).

# Report on Results of the Young Entrepreneurs Survey

Caroline Bracht, April 15, 2014

## Introduction

- What is the YES
- How many members in total
- What projects have gone on in the past
- Why this survey now

## The Survey

The survey, including sixteen questions, was distributed on February XX, 2014, to the Young Entrepreneurs Alliance (YEA) members. The survey requested that members rank the entrepreneurship-related St. Petersburg commitments from most to least important, keeping in mind that the highest priority commitments would be monitored for implementation. Of the XXX YEA members, 385 responded.

## Analysis of the Data

The first question captured the physical location of the respondents by asking which G20 country they were from (Chart A). The highest number of respondents came from Saudi Arabia (13.77%), followed by Mexico (9.35%), Brazil (8.31%) and Russia (8.05%). Of the 385 respondents 58.44% had never attended one of the five YEA summits, which have been held since 2010 in Toronto, Canada. Of the respondents who had attended a summit the most were from Russia (30.65%), Mexico (17.40%), France (12.99%) and Canada and Italy (3.12%).

### Chart A

Country	Percent of Respondents
Saudi Arabia	13.77
Mexico	9.35
Brazil	8.31
Russia	8.05
India	7.79
Argentina	6.23
France	5.97
Australia	5.71
Italy	4.94
South Africa	4.68
Canada	4.42
Germany	4.42
China	3.38
Indonesia	3.12
United Kingdom	3.12
Japan	2.6
Turkey	2.08
United States	1.56

European Union	0.26
Korea	0.26

## Commitment Ranking

The YEA survey respondents were then asked to rank 13 St. Petersburg issue- specific commitments according to relevance. Respondents reported that the commitment to invest in quality education was the most relevant commitment the G20 leaders made. The second commitment found to be the most relevant was the commitment to invest in life-long learning programs.

### Chart B

Commitment Number	Commitment Text	Very Relevant	Relevant	Slightly Relevant	Not Relevant at all
2013-65	[We commit to invest in] quality education [to give them skill portability and better prospects, to facilitate mobility and enhance employability]	55.09	34.46	7.05	3.39
2013-66	[We commit to invest in] life-long learning programs to give them skill portability and better prospects, to facilitate mobility and enhance employability.	53.00	35.77	8.36	2.87
2013-75	[We are committed to] finding innovative ways to encourage firms to hire youth for example by, where appropriate, reducing non-wage labour costs, moving towards early intervention measures and effective job-search assistance for different groups of youth, and motivating youth entrepreneurship and business start-ups.	42.45	40.36	13.02	4.17
2013-90	To lift growth and create jobs by boosting investment, we commit to identify and start to implement by the Brisbane Summit a set of collective and country-specific actions that tangibly improve our domestic investment environments such that they are more favorable to long-term investment financing and can lead to an effective increase of implemented projects, particularly in infrastructure and for SMEs.	41.36	42.15	13.09	3.40
2013-62	[We commit to stimulate the creation of] more productive jobs [through pro-growth structural reforms in product and labour markets, including by promoting labour market adaptability and efficiency, ensuring adequate labour protection, as well as	37.70	42.93	15.18	4.19

	appropriate tax regimes and other government initiatives that may be required according to national circumstances]				
2013-73	We are committed to quality apprenticeship	37.17	40.05	18.59	4.19
2013-67	[We commit to] Foster targeted investments to ensure that labour market infrastructure	33.68	42.63	20.79	2.89
2013-74	[We are committed to] vocational training programmes	33.33	42.26	21.78	2.62
2013-78	[We commit to increase our efforts to support] effective employment services, which will contribute to higher employment levels along with a sustained decline in unemployment, underemployment and informal employment.	32.98	41.76	19.41	5.85
2013-63	We commit to stimulate the creation of rewarding jobs, through pro-growth structural reforms in product and labour markets, including by promoting labour market adaptability and efficiency, ensuring adequate labour protection, as well as appropriate tax regimes and other government initiatives that may be required according to national circumstances].	32.98	48.02	15.04	3.96
2013-76	We commit to increase our efforts to support inclusive labour markets, [which will contribute to higher employment levels along with a sustained decline in unemployment, underemployment and informal employment]	30.08	45.38	20.84	3.69
2013-77	[We commit to increase our efforts to support] better labour market information, [which will contribute to higher employment levels along with a sustained decline in unemployment, underemployment and informal employment]	28.95	43.68	20.53	6.84
2013-2	We today committed to continue our efforts to support inclusive labour markets, with the exchange of country-specific plans or sets of actions, developed as appropriate according to our different constitutional circumstances.	25.20	45.67	24.41	4.72

## **Future Plans**

Based on the G20 Research Group compliance methodology the YEA and the G20 Research Group at the University of Toronto will monitor 5 of the 13 commitments included in this survey.